

# Self-insured vs. Fully Insured

## Self-insured

## Fully-insured

The employer does not pay premiums; instead, it pays fixed costs (administrative fees and stop-loss premiums) and variable costs (employee health care claims).

### PAYMENTS

The employer pays monthly premiums to an insurance carrier.

The employer assumes the risk.

### ASSUMPTION OF RISK

The insurance company assumes the risk.

Employers have more control and freedom in their plan designs.

### PLAN DESIGN

Employers are more limited by insurers' plan design options.

The Employee Retirement Income Security Act of 1974 (ERISA) pre-empts state regulations.

### COMPLIANCE PAYMENTS

The plan must comply with state regulations.